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22 June 1970

MEMORANDUM FOR: The 40 Committee

SUBJECT

Political Action Related to 1970

Chilean Presidential Election

1. Purpose of the Memorandum

A. This memorandum refers to the CIA proposal for political action in Chile which was endorsed by the 40 Committee on 25 March 1970. This paper also brings the Committee up to date on significant voting trends in Chile since the previous presidential poll conducted in January 1970, and recommends that the Committee endorse an expansion of existing political action programs. The additional measures are required to reduce the increased threat of a presidential victory by Socialist Salvador Allende, candidate of the Popular Unity (UP - a coalition of Communists, Socialists and leftists).

B. The CIA proposal to the Committee on 25 March was considered adequate to deal with the threat of a presidential victory by Allende at that time. However, the CIA said that if a subsequent poll reflected significant gains by Allende, the Ambassador and the CIA Station Chief might recommend additional action.

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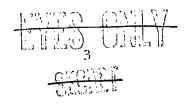
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- c. On 18 June Ambassador Korry recommended an expansion of the CIA political action program based on his analysis of the continued decline of Jorge Alessandri, the independent candidate, the stagnation of Radomiro Tomic, the Christian Democrat Party (PDC) candidate, and the gathering strength of the UP candidate, Allende. The Ambassador cites the results of a poll which reveal a spread of four percent between Alessandri and Allende and about the same distance between the latter and Tomic to support his recommendation. He also notes that the same figures show a shift of women voters from Alessandri to Allende. This trend, unless altered, could well culminate in the election of Allende as President and the imposition of a Leninist state in Chile according to Ambassador Korry.
- 'D. The results of a nation-wide poll, which is 99 percent complete, show Allende making significant gains, largely at the expense of Alessandri. Tomic also showed some gains, again at the expense of Alessandri. Thus, the gap among the three candidates has narrowed and the chances of Allende's election are improved.
- E. A comparison of the two nation-wide presidential polls is set forth below:

	January	May/June *	į
	1970	1970	Change
Alessandri	44.4	35.6	-8.8
Tornic	23.1	29.9	46.8
Allende	18.5	28.4	+9.9
Undecided	14.1	6.3	
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* 99 percent complete

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2. Candidates and Developments

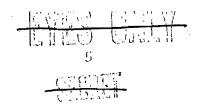
A. Former President Alessandri started his campaign with a commanding lead of an estimated 45 percent of the Chilean voters on his side. From the beginning it was expected that his strength could crode to a base level of 35 percent, and he has nearly reached that figure. This loss in popularity is due primarily to Alessandri's unique campaign which is characterized by an amateur organization staffed by incompetents whose inexperience results in wasted resources, ineffective propaganda, and squabbling over a postelection program. The mobilization of supporters and formulation and dissemination of a positive message to the Chilean voter has been largely ignored. The only semblance of an organization available to Alessandri, the National Party, has been shunted aside by his supporters who believe that Alessandri can win on his name alone and that it is more important to defend his previous administration and attack President Eduardo Frei than to prevent a victory by Salvador Allende, the candidate of the Popular Unity.

B. Radomiro Tomic is the only presidential candidate with both ample funds and an effective party organization. His campaign platform is not easily understood by the Chilean voters. To them his attacks on capitalism contrast with his assurances of the need for a private sector; his calls for true revolution nullify



his justification of President Frei's reform program; and his insistence on eventual unity with the Marxist-led forces of the UP front make it difficult for the voter not to conclude that it would be simpler to elect Allende and have a socialist revolution. Tomic's strategy is based on the assumption that an Alessandri collapse will provide the massive switch of votes necessary for him to win the election. While both Allende and Tomic are benefiting equally from the Alessandri erosion, Tomic has failed to attract voters from the Popular Unity.

C. The Popular Unity campaign has moved into high gear. Allende quickly disposed of a heart attack rumor in May 1970 with an impressive television performance followed by a massive public rally in Santiago on 2 June. He has announced a package of forty demagogic yet appealing promises to the Chilean electorate. Allende's critics attack his proposals to end inflation, readjust public housing rents, slash the cost of medicines, and thirty-seven other giveaway promises. However, he is successfully appealing to the have-nots in Chile. The huge demonstration in Santiago provided an opportune, invigorating, and unifying shot in the arm for Allende's campaign.



3. Covert Activities

The covert activities endorsed by the 40 Committee on 25 March 1970 are being implemented. The effectiveness and impact of these activities is substantiated by the fact that Allende took approximately 15 minutes during one recent nation-wide TV interview to counter the CIA poster and propaganda campaign linking him to the Communist Party of Chile (PCCh), to Cuba, and to the USSR. It is felt that the activity against the Radical Party has assisted in causing several prominent party leaders to withdraw publicly their support from the UP coalition.

4. Coordination

Ambassador Korry recommended this expansion of covert action operations aimed at reducing the possibility of a presidential victory by Allende. This proposal has been discussed with Deputy Assistant Secretary John H. Crimmins and Deputy Director for Coordination Wymberly Coerr, and is currently being considered by the Department of State in consultation with Embassy Santiago.

5. Recommendations

A. There is a State/CIA consensus that no candidate in the 1970 presidential election will win a majority. If so, the Chilean

Congress will select the next president from the two candidates

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has selected the candidate with the higher popular vote, but the Chilean constitution allows for congress to choose either. The present composition of the congress is such that if Allende runs a close second to Alessandri in the voting, there is more than an even chance that the congress will elect him president.

- B. Based on Allende's present strength and the possibility of a congressional run-off, Ambassador Korry, with the concurrence of the CIA Station Chief, has proposed that the CIA engage in increased political action against Allende, while continuing to deny direct U.S. Government support to any of the candidates. The expanded program involves two phases, the first of which includes a marked increase in anti-Allende propaganda activities, subsidies to bona fide pressure groups, and additional efforts to decrease Radical Party support for the UP during the pre-election period. The second phase is a post-election contingency to influence a sufficient number of members of congress to vote in a manner which will assure that he is denied the presidency.
- C. The expanded effort will use those mechanisms already endorsed by the 40 Committee, plus the inclusion of other existing political action capabilities available to the CIA Station.

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- D. The mechanisms, assets and funding channels to be used have been tested and are of proven reliability. Although the political climate remains sensitive to the U.S. and the CIA, there is a justifiable expectation that these activities can be conducted without the U.S. hand showing.
- E. The estimated costs of the expanded activity
 during FY 71 are: (1) for phase one, an additional \$300,000 and
 (2) for phase two, a contingency fund of \$500,000. It is recommended
 that the 40 Committee endorse these activities as requested. Funds
 are not available within the Agency and must be sought from the
 reserve for contingencies.

SIGNIT

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